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SENATE BILL 957 By
Kyle

HOUSE BILL 1606
By Kent

AN ACT to amend Tennessee Code Annotated, Title 71, Chapter 5, relative to distributions of funds to hospitals for certain purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 71, Chapter 5, is amended by adding Sections 2 through 5 of this act as a new part 24.

SECTION 2. As used in this part, "certified public expenditures (CPE)" are the actual financial losses of any hospital, based upon charity, bad debt, or indigent care and based upon TennCare/Medicaid reimbursement.

SECTION 3. The director of the bureau of TennCare shall report to the general assembly by January 1st of each year the amount of CPE generated by hospitals during the previous year and the amount of federal matching dollars subsequently paid to the state for such CPEs.

SECTION 4. Beginning with the 2001-2002 fiscal year and for the next three (3) fiscal years thereafter, a percentage of federal matching dollars, in accordance with the following table, which are generated by the certified public expenditures of public hospitals in Tennessee shall be placed into the TennCare Reserve Fund and shall be distributed on an annual basis to

the hospitals across the state based on a formula which takes into account both charity care and TennCare/Medicaid losses:

Such amount shall be no less than:

- (1) Twenty-five percent (25%) during the 2001-2002 fiscal year;
- (2) Fifty percent (50%) during the 2002-2003 fiscal year;
- (3) Seventy-five percent (75%) during the 2003-2004 fiscal year; and
- (4) One hundred percent (100%) during the 2004-2005 fiscal year.

SECTION 5. This act shall take effect upon becoming a law, the public welfare requiring it.